

7. If Ameritech/Ohio reports that it has met the commitments as provided in Section IV.D.6. and that is disputed, the Commission may issue an order to resolve that dispute and may set forth appropriate time frames.
8. For each Agreed To Standard/Benchmark to be implemented in Ohio that has an SBC agreed-upon remedy in Texas, SBC/Ameritech will discuss with the collaborative participants the proposed remedy to be attached to such Agreed To Standard/Benchmark in Ohio. After SBC/Ameritech implement an Agreed To Standard/Benchmark in Ohio, they will also implement (subject to any required Commission approval, which will be timely sought) any remedy to be associated with such Agreed To Standard/Benchmark consistent with the approach used in the Texas collaborative process. If the collaborative participants agree, SBC/Ameritech will refrain from implementing a particular remedy. Regardless of whether or not SBC agrees to remedies (e.g., damages, penalties, and credits) associated with one or more Agreed To Standards/Benchmarks in the Texas collaborative, the Ohio collaborative process is not precluded from considering any proposed remedy or remedies.
9. If any participant in the collaborative process disputes SBC/Ameritech's determination that it is not economically or technically feasible to implement a particular Agreed To Standard/Benchmark in Ohio, either at all or within the 180 day time period, the collaborative participants will collaborate to resolve such dispute in the collaborative process. If any such dispute cannot be resolved through the collaborative process, any participant may ask the Commission to resolve such dispute. In any such dispute that may arise before the Commission, SBC/Ameritech retain the burden of proving to the Commission that it is not economically or technically feasible to implement an Agreed To Standard/Benchmark in Ohio.
10. Ameritech Ohio will provide a report to the Commission Staff on the results of its performance measurements on a quarterly basis, beginning the first full calendar quarter in which Ameritech Ohio has at least one full month of data for one or more performance measurements, and will report with respect to transactions affecting Ohio NECs relative to their provision of service to end users in Ohio. If it is not economically or technically feasible, as discussed in the collaborative process, for Ameritech Ohio to report transactions on that basis, reporting will be done either on an Ameritech-wide or SBC-wide basis as reasonably determined by Ameritech Ohio after consulting with Commission Staff. Performance measurement reports will be provided to NECs in conformance with each NEC's interconnection agreement and will be made available electronically if so requested.

11. For a minimum of one year following the Merger Closing Date, and thereafter on an as-needed basis as determined by Staff, participants in the collaborative process will collaborate to implement any additions, deletions, or changes to the performance measurements, standards/benchmarks, and remedies that are implemented by SBC/Ameritech in Ohio. Any participant may propose such addition, deletion, or change based upon experience with such implemented performance measurements, standards/benchmarks, remedies, or any other factor. If a dispute over any such addition, deletion, or change cannot be resolved through the collaborative process, any participant may ask the Commission to resolve such dispute. The participant proposing the addition, deletion, or change retains the burden of proving that such addition, deletion, or change should be adopted in Ohio.

E. OSS Non-Recurring Charge. Ameritech Ohio will not propose any new non-recurring charges for accessing or utilizing Ameritech's generally available OSS systems for 2 years following the Merger Closing Date.

V. INFRASTRUCTURE

A. Capital Investment Commitment. SBC/Ameritech will make capital investments in the Ameritech Ohio infrastructure and network located in Ameritech Ohio's service territory as of the date of this Stipulation in a total aggregate amount of not less than \$1.32 billion over the three full calendar years following the year in which the Merger Closing occurs. (e.g., if the Merger Closing Date is 7-1-1999, the three full calendar years will be 1-1-2000 through 12-31-2002).

B. Network Annual Report. During such period, Ameritech Ohio will provide to the Commission Staff an annual report providing a comparison of Ameritech Ohio's Public Switched Network ("PSN") with each of the non-Ohio PSNs owned and operated by SBC as of the Merger Closing Date. This report will provide individually by PSN the investments made and new services introduced. The report will also contain detailed information relating to Ameritech Ohio's operations, by central office, for network switching, advanced services, and broadband capabilities, and will also include information on interoffice transport. The report provided under

this Section V.B. shall be provided on a calendar year basis and shall be provided by April 1 of each year following the calendar year at issue. Ameritech Ohio will also provide the report to OCC, Edgemont, and any other stipulating consumer parties, subject to appropriate confidentiality agreements.

C. ADSL. SBC/Ameritech commit that, for a period of 5 years following the Merger Closing Date, if Asymmetrical Digital Subscriber Line ("ADSL") service is deployed in Ohio, at least 5% of any such deployment, as measured by the number of offices in which ADSL has been enabled and offered as a service, will be in target offices in Cleveland and Columbus (as defined below) and at least 5% will be in target offices in Akron, Youngstown, Toledo, and Dayton (as defined below). SBC/Ameritech further agree that, in the event ADSL is offered as a service to residence customers in any Ameritech Ohio central office, then ADSL service will be offered to residence customers in any other Ameritech Ohio central office where ADSL is subsequently deployed. SBC/Ameritech intend that any deployment of ADSL in Ohio will be done in good faith in a non-discriminatory fashion without excluding any particular area of the Ameritech Ohio service area.

1. The target offices are central offices in large urban areas having relatively large numbers of low income households, which, as of today, are the following 24 central offices:
 - a. CLEV 64, 74, 42, 45, 43, and 63
 - b. SHHG 92 (to be included in the CLEV category)
 - c. CLMB 23, 25, 27, 29, and 44
 - d. AKRN 25, 72, and 78
 - e. BRTN 74 (to be included in the AKRN category)
 - f. DYTN 22, 26, and 27
 - g. TOLD 21, 47, and 72

h. YNTW 74 and 78

These 24 central offices represent approximately 10% of Ameritech Ohio's total number of central offices.

2. This commitment applies to any technology having essentially the same capabilities that could function as a substitute and/or replacement for ADSL technology. This commitment is binding on the aggregate efforts of Ameritech Ohio and/or any SBC/Ameritech affiliate deploying ADSL service within Ameritech Ohio's current service area. This commitment is not intended to apply to any pilot or test programs or initial rollout efforts and, therefore, would not apply until ADSL is deployed in at least 10 central offices within Ohio.
3. SBC/Ameritech agree that, in deploying ADSL in Ohio under this commitment, it will meet the minimum number of target offices as follows:

ADSL DEPLOYMENT

<u>Total Offices</u>	<u>Minimum # of Target Offices</u>
0-9	0
10-14	1
15-24	2
25-34	3
35-44	4
and so forth	

For example, when Ameritech Ohio has deployed ADSL in 15 offices, at least two of those offices must have been target offices.

4. SBC/Ameritech agree that the commitments contained in this Section V.C. shall not be used as a bar to any future claims by a Stipulating Party against SBC/Ameritech alleging potential unlawful discrimination or inadequacy of service.

D. Retail Residential Services Annual Report. To the extent a particular retail residential service is not made available throughout Ameritech Ohio's service area, SBC/Ameritech will provide to the Commission Staff and any Stipulating Party, on an annual basis, a report identifying the geographic areas where such retail residential services are available. The report will provide such information by wire center, and maps will be created to depict the

availability of such services. SBC/Ameritech will provide such annual reports beginning on April 1 of the first calendar year following the Merger and for the next two calendar years.

VI. ADDITIONAL PUBLIC BENEFITS

A. Residential Services Rate Commitment. SBC/Ameritech agree that, until at least January 9, 2002, Ameritech Ohio's rates for Cell 1 core residence service in Ohio (as described in the Alternative Regulation Plan at Para. 12 and Exhibit B) shall be capped at the rates in effect pursuant to Ameritech Ohio's Alternative Regulation Plan as of the date of the Merger Closing; provided, however, if Ameritech Ohio becomes subject to an earnings review pursuant to a case brought under R.C. § 4905.26 or R.C. Chapter 4927, including review of the Alternative Regulation Plan, or a Commission-ordered investigation, Ameritech Ohio may propose an increase or decrease in rates subject to Commission approval.

B. USA (Lifeline) Commitment. SBC/Ameritech agree that Ameritech Ohio shall maintain the USA (Lifeline) program as described in its Alternative Regulation Plan, as modified or interpreted by Commission orders as of the date of this Stipulation (including subsequent rehearing orders relating to then existing orders), until at least January 9, 2002; provided, however, if Ameritech Ohio becomes subject to an earnings review pursuant to a case brought under R.C. § 4905.26 or R.C. Chapter 4927, including review of the Alternative Regulation Plan, or a Commission-ordered investigation, Ameritech Ohio may propose to modify or terminate the USA (Lifeline) program subject to Commission approval.

C. Consumer Late Payment Charge Commitment. Within 30 days of the Commission's entry of a final appealable order in this proceeding approving the Merger, Ameritech Ohio will withdraw its pending request for a consumer late payment charge, without prejudice to it requesting exogenous treatment pursuant to its Alternative Regulation Plan for costs it has incurred to implement the Commission's disconnection policies. Ameritech Ohio will

not propose a consumer late payment charge before it has filed a new proposed alternative regulation plan or when Ameritech Ohio's Alternative Regulation Plan expires, whichever comes first.

D. MTSS Credit Commitment. Commencing within 6 months of the Merger Closing Date, and for a period of 24 months from such commencement date, SBC/Ameritech agree that Ameritech Ohio will increase by 25% the credits payable to residential and business customers under the Minimum Telephone Service Standards ("MTSS"). During such 24 month period, Ameritech Ohio will automatically apply MTSS credits payable to residential customers for installation premises and repair premises appointments missed by Ameritech Ohio.

E. MTSS Recourse Credit Commitment. Commencing within 6 months of the Merger Closing Date, and for a period of 24 months from such commencement date, Ameritech Ohio will increase by 50% the recourse credits payable to NECs from Ameritech Ohio under the MTSS for billing adjustments and waivers NECs provide to their residential and business end users.

F. Consumer Education Fund Commitment. SBC/Ameritech will establish, within 3 months after the Merger Closing Date, a Consumer Education Fund ("CEF") and will make \$0.75 million available to the CEF for disbursement by Ameritech Ohio in each of the three consecutive 12-month periods following the date the CEF is established, for a total of \$2.25 million. The \$2.25 million funding level may be increased by other provisions of this Stipulation. All allocated funds remain available to the CEF for the purposes described herein until they are disbursed. Funds shall be allocated to the CEF by Ameritech Ohio, and the use of the funds will be controlled by the CEF Committee. The Committee shall consist of one voting representative each from Ameritech Ohio, Commission Staff, OCC, Edgemont, and each other consumer group

that is a Supporting Stipulating Party and shall make decisions by majority vote. Tie votes, if any, will be decided by the Commission Staff representative. CEF Committee decisions as to how funds should be distributed and expended are subject to Commission review. At its first meeting, the Committee shall establish rules of governance for the operation of the Committee. No funds shall be disbursed until 30 days after the committee files with the Commission a report of such proposed expenditures. In the first 12-month period, the CEF shall be used to inform and educate consumers in Ohio of their rights concerning customer credits associated with MTSS. Thereafter, the CEF shall be used to inform and educate consumers in Ohio of their rights concerning telecommunications and information services, MTSS, Commission policy, programs such as lifeline programs, and optional payment plans, especially in low income areas. No portion of the CEF funds will be allocated for salaries or administrative fees.

G. Community Technology Fund Commitment. SBC/Ameritech will establish, within 3 months of the Merger Closing Date, a Community Technology Fund ("CTF") and will make \$0.75 million available to the CTF for disbursement by Ameritech Ohio in each of the three consecutive 12-month periods following the date the CTF is established, for a total of \$2.25 million. The \$2.25 million funding level may be increased by other provisions of this Stipulation. All allocated funds remain available to the CTF for the purposes described herein until they are disbursed. Funds shall be allocated to the CTF by Ameritech Ohio, and the use of the funds will be controlled by the CTF Committee. The Committee shall consist of one voting representative each from Ameritech Ohio, Commission Staff, OCC, Edgemont, and any other consumer group that is a Supporting Stipulating Party and shall make decisions by majority vote. Tie votes, if any, will be decided by the Commission Staff representative. CTF Committee decisions as to how funds should be distributed and expended are subject to Commission review as described below.

At its first meeting, the Committee shall establish rules of governance for the operation of the Committee. Additional volunteer committee members, with full voting rights (except the right to choose additional members), can be selected by unanimous agreement of Ameritech Ohio, Commission Staff, OCC, Edgemont, and any other consumer group that is a Supporting Stipulating Party. Except for program design and implementation expenses not to exceed \$50,000 annually as set forth below, no funds shall be disbursed until 30 days after the committee files with the Commission a report of such proposed expenditures. The CTF shall be dedicated to uses which help assure that rural and low income areas in Ohio have access to advanced telecommunications technology. Such uses may include expenditures for computer equipment and associated software, Ameritech tariffed services, Internet access, technical support, program design and implementation expenses not to exceed \$50,000 annually (which amount shall be disbursed to the CTF upon its request, with all expenditures to be reported annually to the Commission), and other associated services and equipment in rural and low income communities. The Commission Staff shall work closely with the CTF committee in implementing this fund and to establish criteria and standards to be used in awarding funds to ensure that it is not administered in a way which has an anti-competitive effect.

H. Community Computer Center Commitment. SBC/Ameritech will provide funding of \$500,000 in the first year following the Merger Closing, and \$250,000 per year for two additional years thereafter, to continue their support of the Community Computer Center commitment created by Ameritech Ohio's Alternative Regulation Plan. Up to \$30,000 of the amount available in each 12 month period may be used to assist in program design and implementation, which amount shall be disbursed to the Ohio Community Computer Center Network ("OCCCN") upon its request. The remaining amounts shall be disbursed for the creation

of new and the support of existing community computer centers. Such disbursements shall be determined solely by the board of the OCCCN. The OCCCN will provide an annual report to the Commission, subject to audit. All funds described herein shall be expended by SBC/Ameritech and remain available to the OCCCN until disbursed.

I. Charitable Contributions Commitment. SBC/Ameritech, either directly or through their foundations, will make philanthropic and community contributions in Ohio in the aggregate of more than \$2.0 million in each of the three consecutive 12 month periods following the Merger Closing Date. Ohio-based employees of SBC/Ameritech will continue to have input regarding the beneficiaries of these contributions.

J. Marketing Practices Commitment. SBC/Ameritech agree that any of their companies operating as public utilities in Ohio, or their agents, will refrain from engaging in marketing practices which are fraudulent, deceptive, or misleading.

VII. IN STATE PRESENCE

A. Ohio Headquarters Commitment. For not less than 5 years following the Merger Closing Date, SBC/Ameritech agree to maintain a state headquarters in Ohio that is staffed sufficiently to at least maintain Ameritech Ohio's current local presence with government entities and community organizations.

B. Ameritech Ohio Employee Commitment. SBC/Ameritech agree that, at the end of 2 years following the Merger Closing Date, the number of full-time equivalent employees of Ameritech Ohio will be more than the greater of 1) the number of such employees as of the date the Commission enters a final appealable order approving the Merger, or 2) the number of such employees as of the Merger Closing Date. SBC/Ameritech agree to maintain and improve the expertise and knowledge of Ameritech Ohio's employees who deal directly with end-user customers and NECs.

C. Customer Service Employee Reports. For a period of 2 years following the Merger Closing Date, Ameritech Ohio shall maintain records of the number of its employees engaged in end user customer contact positions and NEC-interface staffing as described in Section IV.C.2. Ameritech Ohio will provide and report the number of such employees to the Commission Staff and OCC as of the dates 6 months, 12 months, and 24 months following the Merger Closing Date. This report will disaggregate the number of employees into marketing, non-marketing, and other appropriate categories.

D. Commitment to Provide Local Competition in Four New Markets.

1. Following the Merger Closing Date, and subject to the terms and conditions set forth in Sections VII.D.2. and VII.D.3., SBC/Ameritech will offer basic local exchange service to both residential and business customers at reasonable rates in the following 4 markets where Ameritech Ohio is currently not the incumbent local exchange carrier ("ILEC") (the "Ohio Competitive Services"):
 - a. Cincinnati - to include the Cincinnati exchange area that is currently served by Cincinnati Bell;
 - b. Lebanon/Mason - to include the Lebanon and Mason exchange areas northeast of Cincinnati that are currently served by United/Sprint;
 - c. Hudson/Twinsburg - to include the Hudson, Twinsburg and Northfield exchange areas south of Cleveland that are currently served by Western Reserve/AllTel; and
 - d. Delaware - to include the Delaware and Cheshire Center exchange areas north of Columbus that are currently served by GTE.

SBC/Ameritech shall determine in their sole discretion, subject to the rules and regulations of the Commission and the terms and conditions set forth in Sections VII.D.2. and VII.D.3., the manner in which they provide the Ohio Competitive Services in each of these markets.

2. SBC/Ameritech's commitment to provide the Ohio Competitive Services in a specified market shall become effective: i) upon the Commission's

approval, within 2 years of filing, of SBC/Ameritech's certification application; ii) upon the Commission's approval of appropriate tariffs filed by the serving entity; and iii) upon SBC/Ameritech's obtaining a Commission-approved interconnection agreement with the ILEC serving that specified market that is fully compliant with Section 251 of the Telecommunications Act of 1996 and that is reasonably comparable to the agreements that Ameritech Ohio has with NECs, specifically:

- a. SBC/Ameritech must have access to the same unbundled network elements and to the same collocation arrangements that Ameritech Ohio has been required to provide to NECs, excluding the promotional collocation provisions set forth in Section IX.C.4. below; and
 - b. SBC/Ameritech must have electronic ordering capability (or reasonable substitutes), and the ILEC must provide sufficient capacity to handle the expected volume of orders.
3. SBC/Ameritech's commitment to provide the Ohio Competitive Services will be in accordance with the following:
- a. SBC/Ameritech will file with the Commission a request for all required certifications no later than 30 days following the Merger Closing Date.
 - b. SBC/Ameritech will make a formal request for an interconnection agreement with each affected ILEC no later than 30 days following the Merger Closing Date. SBC/Ameritech agree to negotiate in good faith with each affected ILEC and to seek arbitration of any issues that cannot be resolved under the negotiation process.
 - c. For purposes of the time commitments made in Sections VII.D.3.e. through VII.D.3.g. below, inclusive, the "Start Date" for each market is the latest of:
 - (A) the date upon which, for that market, the Commission issues an order granting SBC/Ameritech's certification application and approves appropriate tariffs filed by the serving entity;
 - (B) the date upon which, for that market, the Commission issues an order approving an interconnection agreement between SBC/Ameritech and the affected ILEC meeting the conditions set forth above in Section VII.D.2.; or
 - (C) 10 months from the Merger Closing Date.

- d. Consistent with such certification obtained pursuant to this Section VII.D.3., the serving entity will file all appropriate tariffs for the service it provides in these new markets. Upon receiving all necessary authorization to use municipal rights-of-way, which the serving entity will seek in a timely manner, the serving entity will file its final tariffs. In the event the serving entity is unable to obtain such rights-of-way authorization, SBC/Ameritech will propose a comparable alternative market within 30 days of the denial of such rights-of-way authorization.
- e. SBC/Ameritech commit that they will commence the offering of service in some portion of each market no later than 4 months after the Start Date for each market.
- f. SBC/Ameritech commit that the services offered will be made generally available to customers within each market no later than 16 months after the Start Date for each market.
- g. SBC/Ameritech commit that they will offer service at least partially on a facilities basis in each of the 4 markets no later than 28 months after the Start Date for each market (the use of the ILEC's unbundled elements together with SBC/Ameritech's own equipment shall constitute facilities based service).
- h. SBC/Ameritech commit that they will offer residential service in each market for at least 36 months. At any time after SBC/Ameritech have offered such service for 36 months in a market, SBC/Ameritech may at its discretion request, subject to Commission approval, to offer service in any market on a more limited basis up to and including withdrawal from the market.

VIII. QUALITY OF SERVICE

A. Service Quality Commitment. Ameritech Ohio commits to improve its service quality, by meeting or exceeding the standards as set forth in Section XIII.A., or, in the alternative, to pay the amounts specified in Section XIII.A. Nothing in this Stipulation shall prevent the Commission or Commission Staff from taking any action to address any Ameritech Ohio service quality or customer service problems which may arise while this Stipulation is in effect.

B. Service Quality Reporting. Commencing the first day of the first month that starts at least 6 months after the Merger Closing Date and for a period of 3 years after such commencement date, Ameritech Ohio, on a quarterly basis, will provide the Commission Staff, OCC, and Edgemont with an oral review and, contemporaneously therewith, a written report (consistent with MTSS Rule 18 and the Stipulation entered into in Case No. 98-191-TP-COI), describing Ameritech Ohio's monthly performance with respect to the following:

1. The number of installation orders and the number of such orders missing the MTSS 5-day, 10-day, and 15-day installation intervals;
2. The number of installation premises appointments arranged, and the number of such appointments missed by Ameritech Ohio;
3. The number of out-of-service trouble reports, and the number of those missing the MTSS 24-hour clearance standard;
4. The number of premises repair appointments and non-premises repair commitments arranged, and the number of such appointments/commitments missed by Ameritech Ohio; and
5. The number of times that credits Ameritech Ohio would otherwise owe to end users as a result of missing one of the above standards are excused as a result of the events specified in O.A.C. 4901:1-5-18. Where applicable, such results will be broken down by each of the exception categories in O.A.C. 4901:1-5-18.

C. Non-Telephone Households Studies. Commencing within 3 months following the Merger Closing Date and ending within 15 months following such commencement date, Ameritech Ohio will complete a series of studies to determine the various causes of non-telephone households in Ameritech Ohio's current service territory. This research will be conducted by Ameritech Ohio in conjunction with the substantial involvement of the Commission Staff, OCC, Edgemont, and any other consumer group that is a Supporting Stipulating Party, which involvement will begin within 30 days following the Merger Closing Date. Upon request of a consumer group that is a Supporting Stipulating Party, Ameritech Ohio will pay up to \$5,000

in total to one or more such groups for their use in obtaining an expert or experts to assist in the preparation, review, and analysis of this non-telephone household research. The studies will be designed to identify valid findings and conclusions as to the causes of non-telephone households in Ameritech Ohio's current service territory. Once the reasons for non-telephone households have been identified, Ameritech Ohio, in conjunction with the Commission Staff, OCC, Edgemont, and any other consumer group that is a Supporting Stipulating Party will develop potential short and long-term practices and policies designed to decrease the number of non-telephone households in Ameritech Ohio's current service territory. Ameritech Ohio will file a report with the Commission within 30 days after the conclusion of such studies as to those practices or policies it has elected to implement.

IX. CARRIER-TO-CARRIER ACTIVITIES

A. Alternative Dispute Resolution. SBC/Ameritech and Commission Staff will implement the following alternative dispute resolution ("ADR") process designed to resolve carrier-to-carrier disputes, including interconnection agreement related disputes, before they become formal complaints, and will adhere to the following ADR guidelines and procedures:

1. SBC/Ameritech agree that any dispute resolution process contained in any of Ameritech Ohio's existing interconnection agreements continues to apply and will be implemented by Ameritech Ohio in accordance with the agreement. SBC/Ameritech agree that the applicable time frame for the dispute resolution process begins on the date when either party to a dispute notifies the other party and the Commission Staff in writing that it is seeking dispute resolution pursuant to an interconnection agreement. SBC/Ameritech will designate a single point of contact to whom such notice will be sent. Following completion or failure of a dispute resolution process pursuant to an interconnection agreement, should either party bring the dispute to the Commission, SBC/Ameritech will not argue that the involved dispute is not properly before the Commission or that the other party must follow additional procedures prior to the Commission resolving the dispute. In other words, after the applicable period runs, a party may proceed with an informal mediation process (as outlined below) or commence a formal complaint before the Commission.

2. If resolution is not attained upon completion of the dispute resolution process contained in an interconnection agreement or, for those disputes not subject to an interconnection agreement, SBC/Ameritech commit to the following:
- a. SBC/Ameritech commit to the participation of Commission Staff in any dispute resolution process, should a party to the dispute so desire. If a party chooses to involve the Commission Staff in a mediation, it shall submit a written request for mediation to the Chief of the Telecommunications Section, Legal Department, with a copy to the Chief of the Telecommunications Division, Utilities Department, and to other parties involved in the dispute.
 - b. The written request shall include whether the dispute is service affecting or demonstrate that the dispute has exceptional time-sensitive implications. If the dispute is service affecting or has exceptional time-sensitive implications, the written request shall set forth time requirements for resolution, and the time frames set forth in this Section IX.A.2. shall be shortened by agreement of parties to accommodate the requested time requirements, which may not be less than 3 business days.
 - c. SBC/Ameritech will attempt to resolve multi-NEC issues through consolidated mediations.
 - d. SBC/Ameritech will have a person(s) of authority at the dispute resolution table such that a reasonable resolution could be agreed to at the table. In the event such representative of SBC/Ameritech is without the authority to agree to a particular item, SBC/Ameritech commit to a response turnaround of no more than 2 business days.
 - e. Any information to be shared with the other party or parties prior to the beginning of a mediation session, must be faxed to Staff and the other party or parties at least 24 hours prior to the next mediation session.
 - f. SBC/Ameritech will have one contact person for all contact related to a given dispute. SBC/Ameritech will attend a face-to-face meeting with the disputing party or parties and Commission Staff within one week of the request for mediation.
 - g. SBC/Ameritech commit that, in the event it is not possible to resolve the issue with one session, they will agree to a meeting schedule and have all relevant decision makers meet at the Commission with the other party or parties during the scheduled times.

- h. SBC/Ameritech agree that service to end-user customers shall not be disrupted or otherwise affected by the pendency of an informal mediation process.
 - i. SBC/Ameritech will prohibit their regulatory, legal, and/or AIIIS personnel from disclosing to Ameritech Ohio retail/marketing staff information regarding customers identified during the mediation process concerning the dispute being mediated. If necessary, SBC/Ameritech regulatory, legal, and/or AIIIS personnel may contact the customer regarding service or billing-related issues after they have first notified the opposing party or parties in mediation to discuss the need for such contact and to give such party or parties the opportunity to participate in such contact.
 - j. SBC/Ameritech will reduce each resolved issue to writing within 5 business days of the resolution. One of the other parties may also agree to reduce the agreement to writing. All subsequent responses/replies will be due within 3 business days. If the parties have not reduced the resolved issue to writing within 14 calendar days, they shall notify the Commission Staff within 5 business days, and any party may request to resume the mediation. SBC/Ameritech further commit that once agreed, these issues will be binding upon the parties; a copy of each agreement shall be submitted to Staff upon execution. If an agreement reached requires an amendment or addendum to a previously-approved interconnection agreement, SBC/Ameritech commit to file the amendment or addendum for Commission approval within 14 calendar days of reaching the agreement.
 - k. Communications during the mediation process are confidential and subject to Ohio Revised Code Chapter 2317. SBC/Ameritech will facilitate application of Ohio Revised Code Chapter 2317 to the mediation process, including execution of a reasonable mediation agreement (provided that the other mediating party also agrees to do so as a condition to participating in the mediation process).
3. Once issues are resolved by the parties, should there be another NEC requesting resolution of the same issue(s), with substantially similar factual circumstances and terms, conditions and other contract provisions that are not materially different, the arrangements arrived at through a prior dispute resolution process will be made available to that "new" party.
4. This process is not intended and shall not be used as a substitute for resolving disputes regarding the negotiation of interconnection agreements under Sections 251 and 252 of the Telecommunications Act of 1996.

B. MTSS Recourse Provision Amendments. Ameritech Ohio will work in an expeditious fashion to finalize its tariff for MTSS recourse provisions and will work with NECs to amend their interconnection agreements to incorporate MTSS recourse provisions.

C. Promotional Carrier-To-Carrier Discounts. As an additional incentive for local residential telephone service competition, Ameritech Ohio will offer promotional carrier-to-carrier discounts on services used to provision residential services subject to the following terms and conditions:

1. Unbundled Elements Promotional Discounts.

- a. Ameritech Ohio will offer promotional discounted rates on unbundled loops used in the provisioning of residential service for an "Offering Window" period, which begins on the Merger Closing Date and ends at the earliest of the following:
 - (A) 4 years following the Merger Closing Date;
 - (B) at any time after 1 year following the Merger Closing Date, if the result of the Competitive Line Growth Test, as described in Section IX.C.3., is that competitive line growth is equal to or greater than 200,000 residential access lines; or
 - (C) at any time after 3 years following the Merger Closing Date, if the result of the Competitive Line Growth Test, as described in Section IX.C.3., is that competitive line growth is equal to or greater than 115,000 residential access lines, and if Ameritech or one of its affiliates has received all necessary authority to offer in-region interLATA services in Ohio.
- b. The Offering Window for the promotional discounted rate shall be extended for an individual NEC under the following circumstances. Within 15 days of the Commission's initial order approving the Merger, Ameritech Ohio will review all collocation requests pending as of the date of such order to identify those requests in which NECs have verified that the requested collocation space will be used to serve residential customers through unbundled loops. Ameritech Ohio agrees that for any such verified request pending at the time of the review, its objective will be to complete the request within 90 days of the Commission's

initial order approving the Merger (the "Objective"). For any NEC where the Objective is not met for one or more central offices, the Offering Window shall be extended for that NEC as to that central office or offices by the amount of time that Ameritech Ohio missed the Objective.

- c. Unbundled loops used in the provisioning of residential service in Ohio that are ordered during the Offering Window with a NEC-requested installation date of no later than 30 days after the close of the Offering Window will receive the promotional discounted rate during the promotional period. Unbundled loops ordered or in service prior to the start of the promotional period, or ordered after the end of the promotional period, will not be eligible for the promotional discounted rates. The promotional period will be a period of 1) 36 months from the date such unbundled loop is installed and operational, or 2) for as long as the loop remains in service at the same location and for the same NEC, whichever period is shorter.
- d. During the promotional period, Ameritech Ohio will offer the following promotional discounted rates on unbundled loops used in the provisioning of residential service:

Residence Unbundled Loop Promotional Discounted Rates

<u>Geographic Area</u> ³	<u>Discounted Rate</u>
Access Area B	\$5.34
Access Area C	\$5.34
Access Area D	\$5.34

- e. Before being eligible for any such promotional discounted rates, a NEC must agree to the following conditions and qualifications:
 - (A) They shall apply only to unbundled loops used in the provisioning of residential services;
 - (B) A maximum of 24,000 unbundled loops will be offered at the discounted rate in each of five geographic areas for all NECs combined (first come, first served). The geographic areas will be defined as the areas currently associated with the: i) 216/440 area codes; ii) 614/740 area codes; iii) 330 area code; iv) 419 area code; and v) 513/937 area codes;
 - (C) Any one NEC is limited to purchasing a maximum of 12,000 unbundled loops per geographic area;

³ Access Areas are set forth in Ameritech Ohio's PUCO Tariff No. 20.

- (D) The promotional discounted rates will not be available on unbundled loops purchased or used as part of a combination with Ameritech Ohio's local switching or the functions and features associated with that switching. The promotional discounted rates will be available if the NEC itself combines the unbundled loop with dedicated transport, or if Ameritech Ohio is ordered to, or agrees to, provide a combination of unbundled loop and dedicated transport; and
- (E) NECs shall, on a quarterly basis, certify to SBC/Ameritech and the Commission that they are using the unbundled loops provided at these promotional discounted rates solely for the provision of residential services. SBC/Ameritech reserve the right to hire an independent third-party auditor to perform all necessary audits and inspections needed to assure that the unbundled loops provided at these promotional discounted rates are used solely for the provision of residential services. NECs that opt to take advantage of the promotional discount rates agree to cooperate in the performance of such audits and inspections, which will be paid for by SBC/Ameritech. Where any NEC is found by the Commission to have violated these conditions and qualifications for any unbundled loops, it shall no longer be eligible to receive the promotional discounted rate on such unbundled loops and, on a prospective basis, for any unbundled loops ordered or installed after such finding. Audit information will be restricted to SBC/Ameritech regulatory, legal, and/or AIIS personnel, and SBC/Ameritech will prohibit those personnel from disclosing audit-related information with Ameritech Ohio retail/marketing personnel.

2. Resold Services Promotional Discounts

- a. Ameritech Ohio will offer enhanced promotional discounts on services resold to NECs for residential customers for an "Offering Window" period, which begins 30 days following the Commission's entry of a final appealable order approving the Merger and ends at the earliest of the following:
 - (A) 3 years following the date on which Ameritech Ohio begins to offer such promotional discounts; or
 - (B) If, at any time after 1 year following the Merger Closing Date, the result of the Competitive Line Growth Test described in Section IX.C.3., is that competitive line

growth is equal to or greater than 200,000 residential access lines.

- b. Resold services used in the provisioning of residential service that are ordered during the Offering Window with a NEC-requested installation date of no later than 30 days after the close of the Offering Window will receive the promotional price during the promotional period. Resold services ordered or in service prior to the promotional period, or placed in service after the end of the promotional period, will not be eligible for the promotional prices. The promotional period will be a period of 1) 36 months from the date such resold service is installed and operational, or 2) for as long as the resold service remains in service at the same location with the same telephone number and for the same NEC, whichever period is shorter.
 - (A) For the period commencing 30 days following the Commission's entry of a final appealable order approving the Merger and ending 12 months after such commencement date, the residential resale discount rate in effect during such 12-month period will be the standard resale discount multiplied by a factor of 1.506 (*i.e.*, the current standard resale discounts of 20.29% and 21.25% would be 30.56% and 32%, respectively);
 - (B) During the second 12 month period, the standard resale discount rate in effect at that time will be multiplied by a factor of 1.25 (*i.e.*, the current standard resale discounts of 20.29% and 21.25% would be 25.36% and 26.56%, respectively); and
 - (C) During the remainder of any promotional period, the standard resale discount rate in effect at that time will be multiplied by a factor of 1.10 (*i.e.*, the current standard resale discounts of 20.29% and 21.25% would be 22.32% and 23.38%, respectively).

As to any such residential resold line, the promotional rate shall only apply to those periods when such rates are in effect. For example, as to any resold service placed in service 6 months after the Commission's entry of a final appealable order approving the Merger, the promotional price will be in accordance with IX.C.2.b.(A) for the first 7 months, IX.C.2.b.(B) for the next 12 months, and IX.C.2.b.(C) for the remaining 17 months.

- c. Ameritech Ohio reserves the right to suspend these promotional discount rates at such time, if any, as the Merger Agreement has been terminated.

3. Competitive Line Growth Test

- a. The Competitive Line Growth Test is met if Competitive Line Growth is 115,000 residential access lines or 200,000 residential access lines, as applicable.
- b. Competitive Line Growth shall consist of the sum of the following amounts, determined as of the measurement date, for Ameritech Ohio's service territory as of the Merger Closing Date:
 - (A) Ameritech Ohio's residential service access lines resold by a non-affiliated NEC;
 - (B) Ameritech Ohio's unbundled loops provided to non-affiliated NECs for service to residence premises;
 - (C) E-911 residence listings for residential service not provided by Ameritech Ohio and not included in IX.C.3.b.(A) and (B); and
 - (D) directory residence listings for residential service not provided by Ameritech Ohio and not included in IX.C.3.b.(A), (B) and (C).

The intention in (A) through (D), inclusive, is not to double-count any residential access line.

- c. Ameritech Ohio will report that it has attained Competitive Line Growth of 115,000 or 200,000 residential access lines, as applicable, and passed the Competitive Line Growth Test by filing a report with the Commission demonstrating such passage. The test will be deemed met either: i) upon the issuance of a Commission order finding that the test has been met; or ii) if no order is issued within 60 days after such filing.

4. Promotional Collocation Provisions

- a. SBC/Ameritech will make available to NECs in Ohio meeting the criteria set forth below and agreeing to the terms and conditions set forth below the following promotional provisions with respect to collocation.
- b. The promotional provisions for collocation are only available to a NEC within a central office where: i) that NEC certifies that it

intends to use collocation space in that central office in accordance with the provisions of Section IX.C.4.c. below; and ii) that NEC is, at the time it requests the collocation, not ineligible for the promotional provisions pursuant to Section IX.C.4.f. below.

- c. After the collocation space for a NEC has been installed in a central office for at least 8 months, such NEC shall continue to be eligible for the promotional provisions contained in Section IX.C.4.j.(D) within that central office only if, within that central office, the number of unbundled loops purchased by that NEC to serve business customers is no greater than 80% of the total number of unbundled loops purchased by that NEC in that central office. The number of unbundled loops shall be measured on an equivalent line basis.
- d. For each collocation arrangement for which a NEC has received any of the promotional provisions set forth in Section IX.C.4.j., the NEC shall, on a quarterly basis beginning the first full calendar quarter commencing at least 3 months after a NEC begins to use these promotional collocation provisions, certify to SBC/Ameritech and the Commission Staff that the terms and conditions set forth in Section IX.C.4.c. related to the promotional collocation provisions are being met. In the event a NEC is found, either by its certification or by the audit process described in Sections IX.C.4.e. below, to be not in compliance with Section IX.C.4.c. for any central office after such NEC has been collocated in that central office for at least 8 months, the full, standard rates and other standard terms and conditions applicable to the collocation space in such central office would apply retroactively and any amounts due must be paid within 10 days.
- e. SBC/Ameritech reserve the right to hire an independent third-party auditor to perform all necessary audits and inspections needed to verify the NEC certification provided for in Section IX.C.4.d. above. NECs that opt to take advantage of the promotional collocation provisions must agree to cooperate in the performance of such audits and inspections, which will be paid for by SBC/Ameritech. If the independent third-party auditor finds that a NEC's compliance verification described in Section IX.C.4.d. above is inaccurate with respect to one or more central offices, SBC/Ameritech and the NEC will meet and confer to determine the reason for the inaccuracy. Audit information will be restricted to SBC/Ameritech regulatory, legal, and/or AIIS personnel, and SBC/Ameritech will prohibit those personnel from disclosing audit-related information to Ameritech Ohio retail/marketing personnel.

- f. If, in the audit process described above in Section IX.C.4.e., a NEC's compliance verification is found to be inaccurate due to willful or grossly negligent conduct on the part of the NEC, then that NEC's entitlement to these promotional collocation provisions for any new collocation request shall be permanently revoked. Additionally, if at any time a NEC is found, either by its certification or by the audit process described above, to be not in compliance with Section IX.C.4.c. in 50% or more of the central offices in which such NEC has received any of the promotional collocation provisions set forth in Section IX.C.4.j., then that NEC's entitlement to these promotional collocation provisions for any new collocation request shall be suspended, until such time that one or more such offices are brought into compliance with Section IX.C.4.c. such that the 50% standard is met.
- g. The promotional provisions for collocation space shall begin on the date 30 days following the Commission's entry of a final appealable order approving the Merger, shall terminate 3 years following the Merger Closing Date, and shall be applicable retroactively to those collocation requests for which initial payment was received on or after the date of this Stipulation. Notwithstanding the 3 year limitation, NECs that received or ordered collocation arrangements from Ameritech Ohio based on these promotional collocation provisions shall continue to be served under the promotional collocation provisions until the NECs and Ameritech Ohio mutually agree to modify or terminate those collocation arrangements.
- h. For purposes of determining whether the NEC is eligible for these promotional collocation provisions, the measurement of the NEC purchased loops within a central office shall include any affiliates of the NEC providing local telecommunications service within the same central office.
- i. The promotional collocation provisions are only available where space is available in those areas of Ameritech Ohio's central offices that are engineered for equipment of the type used in collocation space. In order to take advantage of the promotional collocation provisions, a NEC must provide Ameritech Ohio with reasonable collocation space forecasts.
- j. Promotional Terms and Conditions for Collocation
 - (A) SBC/Ameritech agree to a 90-day standard installation interval for a qualifying NEC collocation request measured from the date an initial collocation request is submitted to Ameritech Ohio. Such 90-day standard interval is subject

to Ameritech Ohio receiving any pre-paid amounts due within 30 days after said initial request or 20 days after SBC/Ameritech notify the NEC that the request can be satisfied, whichever is later.

- (B) SBC/Ameritech will provide collocation space without the requirement for SBC/Ameritech to construct a caged enclosure. In such cases, the NEC shall be responsible for deciding whether to construct an enclosure for the space, subject to SBC/Ameritech's specifications.
- (C) SBC/Ameritech will provide NECs a minimum collocation space option of 50 square feet, with reduced total charges based on the equipment and square footage requested.
- (D) SBC/Ameritech will reduce the current amount of collocation charges which must be prepaid by the NEC to \$7,000 for collocation space of between 50 and 75 square feet, inclusive, and to \$10,000 for collocation space greater than 75 square feet. The balance of any prepaid amounts that would otherwise be due, based on standard rates and charges for collocation space, shall be paid by the NEC over 36 months with 8% interest.
- (E) SBC/Ameritech further agree that, in the event the requested collocation space is not made available within 90 days of the submission of an initial request, due solely to SBC/Ameritech's actions or inaction, 50% of the prepaid amount shall be refunded to the NEC. In the event the requested collocation space is not made available within 120 days of the submission of an initial request due solely to SBC/Ameritech's action or inaction, the remaining 50% of the prepaid amount shall be refunded to the NEC. No refund shall be due if SBC/Ameritech's failure to meet the time period for making the collocation space available was caused in whole or in part by any force or reason beyond the reasonable control of SBC/Ameritech including but not limited to Acts of God, strikes, or war.

D. NEC Confidential Information. SBC/Ameritech will comply with their obligations under Commission and FCC rules and regulations, applicable interconnection agreement provisions, requirements in the Telecommunications Act of 1996, and their Codes of Business Conduct dealing with non-disclosure of a NEC's confidential and proprietary business

and customer information acquired in the course of providing services to NECs, including, without limitation, information regarding a NEC request for a Customer Service Record ("CSR").

E. CSR Mediation. To the extent SBC/Ameritech and Time Warner Telecom are unable to resolve their previously-mediated dispute regarding CSRs by reducing to writing an agreement, within 15 days of their signing of this Stipulation, they agree to mediate such dispute, with the Commission Staff, under the ADR procedure set forth in Section IX.A.2. of this Stipulation as an "exceptional time sensitive" dispute.

F. Non-Recurring Charges Payment Option. As an additional incentive for local residential telephone competition, Ameritech Ohio will offer a promotional 18-month installment payment option to NECs for the payment of non-recurring charges associated with the purchase of unbundled network elements used in the provision of residential services and the resale of services used in the provision of residential services. This promotional 18-month installment option will begin on the date 30 days following the Commission's entry of a final appealable order approving the Merger and will terminate 3 years following the Merger Closing Date. No interest will be assessed on the remaining balance during the 18 month period as long as the NEC continues to purchase the residential unbundled network element or residential resold service. In the event the NEC does not purchase the residential unbundled network element or residential resold service for the entire 18 month payment period, any remaining non-recurring charge balance shall immediately be due and payable when the service is terminated. Unless an interconnection agreement by its terms specifies otherwise, interest at a rate of 8% per annum will be assessed on any amounts that become immediately due and payable and are not paid within 30 days of same. If a NEC disputes its obligation to make payment when due, it will place the